

CHAPTER 3

AN ACT HB 4075
 [2002 Fifth Special Session]

Relating to elections; and declaring an emergency.
Be It Enacted by the People of the State of Oregon:

SECTION 1. Except as otherwise provided in this 2002 fifth special session Act, ORS chapters 250, 251 and 254 apply to the election on the measure submitted under House Bill 4079 (2002 fifth special session).

SECTION 2. Notwithstanding ORS 171.185, the measure referred to in section 1 of this 2002 fifth special session Act and that is referred to the people by the Legislative Assembly shall be submitted to the electors for their approval or rejection at a special election held throughout this state on January 28, 2003.

SECTION 3. (1) Notwithstanding ORS 250.035, the ballot title for House Bill 4079 (2002 fifth special session) shall be:

TEMPORARILY INCREASES INCOME TAX RATES.

RESULT OF "YES" VOTE: "Yes" vote increases income tax rates for three years.

RESULT OF "NO" VOTE: "No" vote does not increase income tax rates.

SUMMARY: This measure increases income tax rates for three years.

For personal income taxpayers filing single returns, this measure increases the rate of tax on taxable income of more than \$6,450 from 9 percent to 9.5 percent. For taxpayers filing joint returns, this measure increases the rate of tax on taxable income of more than \$12,900 from 9 percent to 9.5 percent.

For corporations, this measure increases the rate of tax on taxable income from 6.6 percent to 6.93 percent.

The increased rates apply to taxable income earned in the 2002, 2003 and 2004 tax years. This measure restores the existing tax rates for 2005 and later tax years.

(2) ORS 250.085 does not apply to the ballot title prepared under this section. The ballot title prepared under this section shall be the ballot title printed in the voters' pamphlet and as provided in section 8 of this 2002 fifth special session Act.

SECTION 4. (1) Notwithstanding ORS 250.125, 250.127 and 250.131, the estimate of financial impact for House Bill 4079 (2002 fifth special session) to be printed in the voters' pamphlet and as provided in section 8 of this 2002 fifth special session Act shall be:

This measure increases income tax rates for three years. This measure is estimated to raise the following amounts for each July 1 to June 30 fiscal year:

<u>Fiscal Year</u>	<u>Amount</u>
2002-2003:	\$313 million
2003-2004:	\$247 million
2004-2005:	\$164 million

It is estimated that this measure will increase Oregon personal income taxes for the average personal income taxpayer by \$114. For the 2002 tax year, the average increase in personal income taxes for taxpayers at different income levels is estimated to be as follows:

<u>Adjusted Gross Income Level</u>	<u>Average Change in Overall Income Tax</u>
Less than \$10,000	\$ 0
\$10,000 to \$20,000	\$ 17
\$20,000 to \$30,000	\$ 49
\$30,000 to \$40,000	\$ 80
\$40,000 to \$50,000	\$ 107
\$50,000 to \$75,000	\$ 148
\$75,000 to \$100,000	\$ 212
\$100,000 to \$200,000	\$ 385
Over \$200,000	\$ 1,686
All returns	\$ 114

These estimates take into account changes in the federal deduction for state taxes.

(2) ORS 250.131 does not apply to the financial estimate prepared under this section. The financial estimate prepared under this section shall be the financial estimate printed in the voters' pamphlet and as provided in section 8 of this 2002 fifth special session Act.

SECTION 5. (1) Notwithstanding ORS 251.205, 251.215, 251.225, 251.230 and 251.235, the explanatory statement to be printed in the voters' pamphlet for House Bill 4079 (2002 fifth special session) shall be:

This measure increases both personal and corporate income tax rates for three years.

Personal income taxes are paid primarily by individuals. Individuals may file single tax returns or may choose, if married, to file joint tax returns. For personal income taxpayers filing single returns, this measure increases the rate of tax imposed on taxable income over \$6,450

from 9 percent to 9.5 percent. Taxpayers filing single returns with taxable income of \$6,450 or less would not pay any increased taxes under this measure. For personal income taxpayers filing joint returns, this measure increases the rate of tax imposed on taxable income over \$12,900 from 9 percent to 9.5 percent. Taxpayers filing joint returns with taxable income of \$12,900 or less would not pay any increased taxes under this measure. The actual income brackets to which the tax rates apply are higher than the brackets set forth in statute because existing law adjusts the tax rate income brackets annually for changes in the Consumer Price Index.

For corporations, this measure increases the rate of tax imposed on taxable income from 6.6 percent to 6.93 percent.

The increases apply to tax years beginning on or after January 1, 2002, and before January 1, 2005. For tax years beginning on or after January 1, 2005, the measure restores existing income tax rates.

(2) ORS 251.235 does not apply to the explanatory statement prepared under this section. The explanatory statement prepared under this section shall be the explanatory statement printed in the voters' pamphlet.

SECTION 6. (1) Arguments relating to the measure referred to in section 1 of this 2002 fifth special session Act may be filed with the Secretary of State under ORS 251.245 and 251.255, except that an argument shall be filed not later than the date set by the Secretary of State by rule.

(2) Notwithstanding ORS 192.410 to 192.505 relating to public records, an argument filed under this section is exempt from public inspection until the fourth business day after the deadline for filing the argument.

SECTION 7. (1) The Secretary of State shall cause to be printed in a voters' pamphlet the number, ballot title and text of the measure referred to in section 1 of this 2002 fifth special session Act and the financial estimate, explanatory statement and arguments relating to the measure. The Secretary of State shall also print in the voters' pamphlet any other material required by law. Notwithstanding ORS 251.026, the Secretary of State shall include in the voters' pamphlet the information or statements described in ORS 251.026 that the Secretary of State considers applicable to the election on the measure referred to in section 1 of this 2002 fifth special session Act. Notwithstanding ORS

251.285, the measure referred to in section 1 of this 2002 fifth special session Act shall be the only measure included in the voters' pamphlet prepared under this section.

(2) Not later than the 10th day before the election, the Secretary of State shall cause the voters' pamphlet to be mailed to each post-office mailing address in Oregon and may use any additional means of distribution necessary to make the pamphlet available to electors.

(3) In preparing the voters' pamphlet under this section, the Secretary of State is not required to comply with ORS 279.011 to 279.063 relating to competitive bidding.

SECTION 8. (1) Notwithstanding the deadline in ORS 254.085, the Secretary of State shall prepare and deliver to each county clerk by the most expeditious means practicable a certified statement of the measure referred to in section 1 of this 2002 fifth special session Act. The Secretary of State shall include with the statement the number, financial estimate and full ballot title of the measure, and any other information required by law. The Secretary of State shall keep a copy of the statement.

(2) The county clerks shall print on the ballot the number, financial estimate and full ballot title of the measure, along with any other material required by law. In lieu of printing the financial estimate, the summary portion of the ballot title or other material required by law on the ballot, a county clerk may include with the ballot the complete text of the ballot title, the financial estimate and any other material required by law.

SECTION 9. (1) The Secretary of State may adopt rules governing the procedures for conducting the election on the measure referred to in section 1 of this 2002 fifth special session Act as may be necessary to implement sections 1 to 9 of this 2002 fifth special session Act.

(2) Notwithstanding ORS 254.465, the election on the measure referred to in section 1 of this 2002 fifth special session Act shall be conducted by mail in all counties in this state as provided under ORS 254.470.

SECTION 10. This 2002 fifth special session Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2002 fifth special session Act takes effect on its passage.

Filed in the office of Secretary of State October 24, 2002
Effective date October 24, 2002